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BEFORE THE FEDERAL COMMUNICATIONS COMMISSION

IN THE MATTER OF THE PROPOSED CHANGES IN PART 22

APR 20 1993

COMMENT CLOSING DATE October 5, 1992

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

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BLUMENFELD & COHEN
1055 M STREET, N.W.
WASHINGTON, D.C. 20005

We recently learned that changes are being proposed concerning alteration of ESNs as outlined on FCC FR 57 No. 127. We have diligently tried to obtain the specific wording of the Proposal as it relates to ESNs but have been unable to obtain a copy of the proposal. We would like to present the following positions regarding ESN alteration:

Under no circumstances do we condone fraud or theft of services, however to patently forbid alteration where no theft or fraud is intended or committed would be a gross miscarriage of justice, not in the best interest of the general public and clearly a restraint of free trade.

For years a significant percentage of subscribers have requested the ability to have a second or extension phone on the same line and number. Until now the carriers have unilaterally denied them this convenience by:

1. Telling them that it was impossible or illegal thus forcing them to pay for a second line to increase their revenues. Although willing to pay for airtime usage most subscribers cannot justify this additional cost and subsequently carriers lost that potential revenue on the gamble that an increase in the subscriber lines would raise the paper value for resale of their company, not based on revenues but on the subscriber number basis that cable companies use for a sale valuation.

2. Threatening their Agents with contract termination or other economic threats if the Agent offers this service even if this service is not illegal and does not involve fraud or theft of services. This may also be considered as restraint of trade.

To force consumers to buy unwanted and unnecessary additional lines to have the convenience does not follow the spirit of Judge Harold Greene's divestiture which allowed independent companies to provide extension phones and services. This was intended to prevent the Bells from monopolizing services at greatly inflated prices and inconvenience to the consumers.

C2+ TECHNOLOGY (C2+) has developed a method of reassigning or emulating the ESN in a secondary phone through a proprietary Device which does not alter the manufacturers' copyrighted software, does not physically alter the phone or its transmitter, and fully retains the security and integrity of the phone at the same level as delivered from the manufacturer. This method is not "chipping" or cloning. C2+ has stringent prerequisites for performing an emulation and maintains a database record of all changes which is open for inspection by the FCC or

The C2+ developed Device is secured by four encrypted keys using NASA type DES algorithms to produce the necessary codes to allow changing the ESN. These keys are represented by:

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- (1) the ESN of the original or primary phone. The user must provide personal identification on the phone that they are authorized to use this phone by a specific
 - (2) the ESN of the secondary phone.
 - (3) a unique encrypted number embedded in the Device which is unreadable by external means.
 - (4) a 16 bit encrypted Customer number inaccessible by unauthorized

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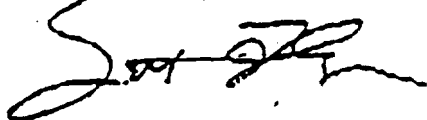
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We have no problems with the FCC requiring a manufacturer to design the equipment so that the ESN is not alterable in the field and that such alteration of the ESN renders the phone inoperative. We have even developed a concept which virtually eliminate the fraudulent use of another's number.

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We respectfully request that the Commission consider C2+ TECHNOLOGY as a viable and acceptable method of ESN alteration which does not increase chances of theft of services or fraud. To deny the consumer these benefits would not affect the present rate of fraud as those who intend to defraud would continue unabated while the general public would be denied a service which is greatly in demand at more reasonable cost than offered by the carriers. The FCC has historically protected the public from the monopolistic carriers who maintain their control through restrictive tariffs and other similar actions.

To paraphrase the National Rifle Association, when guns are outlawed only outlaws will have guns. Anyone intent on fraud will not be deterred by laws. Please do not discriminate against those legitimate independent businesses in favor of a carrier monopoly of enhancements and services.

Respectfully submitted,

C2+ TECHNOLOGY, INC.



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ent By UPS OVERNIGHT

OCT 3, 1992